

SCOTT MISENER STEAMSHIPS LIMITED

officers

Chairman of the Board and Chief Executive Officer	Ralph S. Misener
President	J. N. McWatters
Vice-President	Scott A. Misener
Secretary	Nixon Berry
Treasurer	J. F. Vaughan
Assistant Secretary	G. M. Carl
Assistant Treasurer	G. Crompton

directors

T. R. Anderson
Nixon Berry, Q.C.
Frank H. Brown, C.B.E.
G. M. Carl
Hon. John J. Connolly, P.C., O.B.E., Q.C.
J. H. Luxton
J. N. McWatters, F.C.I.S.
Ralph S. Misener
Scott A. Misener
Robert S. Pierson
George C. Stewart
J. F. Vaughan, C.A.

honorary director

A. E. Pequegnat



Semi-Annual Report

SCOTT MISENER STEAMSHIPS LIMITED

September 30, 1972

October 24, 1972

The Statement of Consolidated Income and Retained Earnings of the Company for the six months ended September 30, 1972, shows an increase in gross revenue and operating profit compared to the same period last year.

The vessels in our fleet during the period under review operated the maximum number of days available after the opening of the shipping season, with the exception of the S.S. "George M. Carl". This vessel was converted from coal to oil-fired during the winter and early spring and started operating on June 4th, 1972.

The dividends on the 5½% Preferred Shares were not declared during the six month period and at September 30, 1972, the arrears of dividends amounted to \$544,325.

There is a heavy demand for tonnage to load grain for the balance of this season and through the mid-part of next year. Although we have been fully booked to date, a breakdown in dispatch, mainly on grain cargoes from May through September, has resulted in our losing 206 operating days or approximately 11.5 cargoes of grain and iron ore. Under these conditions, the compensation for carrying grain is most unsatisfactory. Either a higher rate for grain from the Upper Lakes to the St. Lawrence or a guaranteed dispatch with demurrage would be justifiable. Under similar circumstances salt water tonnage would be paid demurrage by the Shipper.

The extent of an increase in our operating profit for the balance of this season will mainly depend on improved dispatch. We are hopeful that this situation will improve. However, the remaining operating season this year will be limited by the midnight, December 15, closing of the Welland Canal.

RALPH S. MISENER
Chairman of the Board

SCOTT MISENER STEAMSHIPS LIMITED
CONSOLIDATED STATEMENT OF INCOME AND
SOURCE AND APPLICATION OF FUNDS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 1972

(Subject to year-end audit and adjustments,
with comparative figures for 1971)

	INCOME	
	Six Months Ended September 30 1972	1971
Gross Revenues	<u>\$6,304,702</u>	<u>\$5,859,846</u>
Operating Profit before providing for Depreciation on Vessels	2,138,395	1,725,974
Depreciation on Vessels	<u>948,437</u>	<u>998,904</u>
Operating Profit	1,189,958	727,070
Interest on Funded Debt	<u>482,865</u>	<u>551,054</u>
	707,093	176,016
Add:		
Other Income	<u>14,756</u>	<u>20,466</u>
Income Before Taxes	721,849	196,482
Income Taxes	<u>352,700</u>	<u>92,000</u>
Net Income for Period	<u>369,149</u>	<u>104,482</u>
Profit per Common Share	.49	.14
Profit per common share after deducting dividend rights on first preference shares	.39	.04
SOURCE AND APPLICATION OF FUNDS		
SOURCE OF FUNDS:		
Operations —		
Net income for period	369,149	104,482
Items not affecting working capital:		
Depreciation	948,437	998,904
Amortization of past service pension costs	25,000	25,000
Deferred Income Taxes	325,000	60,000
	<u>1,667,586</u>	<u>1,188,386</u>
APPLICATION OF FUNDS:		
Additions to Vessels and Equipment (Net)	182,567	87,038
Current requirements on long term debt	<u>350,000</u>	<u>350,000</u>
INCREASE IN WORKING CAPITAL		
	<u>532,567</u>	<u>437,038</u>
	<u>1,135,019</u>	<u>751,348</u>